

**GRAND TIMBER LODGE OWNERS ASSOCIATION  
ANNUAL MEETING MINUTES**

**SATURDAY, NOVEMBER 20, 2010**

**Attendance**

Board Present: Lew Phinney, John Haeck, Marc Block, Rob Millisor, Mike English, Dennis Miller, and Gerrit Mahsman

Advisory Committee Present: Chris Maciejewski, Phil Kennedy, Tom Endres, Tom Wood, and Carolyn Smiley-Marquez.

Management Present: Kit Armour and Lisa Vaughn

Absent: Daren Bunn, Cynthia Dennis, Marty Leeke, and Randolph Williams.

Guest: Nico March with The March Group of Wells Fargo Advisors, Janie Brown with Interval International, and Paul Baches from McMahan & Associates

**Call to Order –**

The President of the Grand Timber Lodge Owners Association (GTLOA), Lew Phinney, called the meeting to order at 1:00 p.m. A quorum was established.

**Introductions –**

Lew introduced himself and then introduced Rob Millisor, Vice President for Breckenridge Grand Vacations.

Rob Millisor introduced management company, Breckenridge Grand Vacations.

Lew asked the Board Members and Advisory Committee for introductions.

**Changes to the Agenda –**

No changes

**Approval of Minutes –**

Marc Block motioned to approve the 2009 annual meeting minutes. Tom Wood seconded the motion and all approved.

**Project Status Report –**

Kit discussed the project report.

- Refinishing wood trim around property
- Painting units and common areas
- Painted exterior buildings 3, 5, and 6.

- New grills around property
- Extensive landscaping
- Changing duvet covers on beds
- Retiling as needed
- Maintenance is doing the pre-arrival unit checks again
- Post stay surveys

Kit encourages the owners to let staff know if you see wrong things being done around property.

**New Business –  
Audited Financials**

Lew introduced Paul Baches from McMahan & Associates to discuss the audit.

Paul announced that it was a clean audit and the financial statements are in accordance.

Paul went through the audit process:

- Come to the property with 4 CPA's.
- Download all transactions
- Cash reconciliation
- Make sure expenses are legitimate and coded correctly
- Look at changes, balances, and bank accounts
- Look to see if the investments on accounts are safe
- Look at the accounts receivables and owner delinquencies.

Paul stated that McMahan & Associates are independent CPA's and work for the Board of Directors for HOA.

Paul said that they are working to reduce the Operating Fund Deficit.

**2008/2009 Budget Review**

Kit discussed the budget and how the budget is prepared. Kit said that there are only seven months of information to forecast the rest of year. Kit added that some of the line items are contracted so we know what they are but the others are estimates based on forecasting.

Kit said that the Administration Fees are a contra account for when owners pay with credit cards.

Kit added that the budget is presented to the Board for approval and then mailed out to owners for them to vote on the budget.

A question was asked about rental fees. Kit said that the rental revenue goes to the owner and the rental commission goes to the Property Management Company.

A question about the \$3 voluntary contribution fee on the statements. Kit said it is a contribution to ARDA ROC which enables them to lobby in Washington for timeshare owners.

## **The March Group**

Lew introduced Nico March with The March Group.

Nico discussed the reserve funds and that the Board has an Investment Policy which states all funds will be federal reserved at all times.

Nico stated that there is 2 million invested at this time and has had a 2.6% return.

Nico asked for questions.

There was a question on nature of the investments. Nico replied that the investments were in liquid money market accounts or certificate of deposits at this time.

## **Finance Committee**

John Haeck discusses the Finance Committee meeting and the Audited Financials.

- The auditor's opinion in the letter is that it is a good audit.
- The association is very stable and liquid.
- We have had a challenging year with variances
- We have a plan to reduce the Operation Fund Deficit.
- The overall funds are in good shape.
- The auditor suggest raising assessments and that is what the Board is struggling with

Questions and comments:

We want our facility to remain top notch and we appreciate all the work you do as a Board.

A question was asked about how we know how much money to put into the Reserve Funds. Kit said that we had a Reserve Study done last year on our General and Furniture Reserve Funds.

Kit said that the Reserve Study assigns a life to items and builds in the inflation and interest rate. We use that as a guideline for budgets.

Kit said that our delinquency rate is 4.4% right now and the industry average is 10 to 15 percent.

An owner asked if a person is delinquent do they have usage. Kit answered that they do not have usage and they can't exchange either. Kit added that the Property Management will rent their week and use the income to pay their dues.

Kit said we would rather the delinquent owners quit claim deed their week back to the association.

The Board discusses the active resale program with the developers.

## **Announcement of the Election**

### **Board Members**

Lew said that we have two Board Members, Marc Block and Rob Millisor with terms up and both are running again.

Lew said that there are 7 Board Members and 9 Advisory Committee Members.

Garret motioned to keep Marc and Rob on the Board. Tom Wood seconded the motion and all approved.

### **Advisory Committee**

Lew said there are 6 open spaces for the Advisory Committee.

Tom Endres, Carolyna Smiley-Marquez, and Tom Wood are running again for re-election.

Other nominations:

Howard Dieter, Jay Kearny, Roger Lemmon, Vanessa Burke, Brenda Karl, Gary Sieverin, and Tom Miller would like to run for Advisory Committee.

All the nominations gave a brief bio.

### **Interval International**

Janie Brown from Interval International did an industry update and talked about the new short stays.

Janie did a gift drawing giving away hat, travel mug, and an exchange week.

### **Comments**

An owner would like to have more information on the billing statements such as: how much owed, interest paid, and amortization.

An owner asked Rob Millisor if the rental commission would be going down. Rob said they would not be going down and is less than majority of resorts.

Comment on wanting more exercise equipment.

Comment that Grand Timber Lodge has a great reputation around the world as a wonderful resort.

An owner said that there are a lot of keys missing from day use lockers. Kit will have maintenance replace the missing keys and that we were changing the way we assign lockers at check in.

### **Election of the Board**

Results of the Election:

Board of Directors

- Marc Block
- Rob Millisor

Advisory Committee

- Tom Endres
- Tom Wood
- Carolyn Smiley-Marquez
- Roger Lemmon
- Brenda Karl
- Jay Keany

**Adjournment**

Lew thanked everyone for attending. The meeting adjourned at 3:15 p.m.

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Minutes Prepared By Lisa Vaughn